



Pennsylvania Association of School Business Officials

Testimony to the Senate Education Committee

November 28, 2023

The PA Association of School Business Officials (PASBO) represents about 3,500 school business officials in Pennsylvania. Our members work in school districts, charter schools and cyber charter schools, intermediate units, career and technical education centers, as well as private and nonpublic schools, and our members are responsible for everything from finances and accounting to facilities, transportation, food service, technology, human resources, payroll, safety, and support services.

Pennsylvania's school districts are required to comply with hundreds of mandates, many of which are state requirements. Overall, mandates establish important standards for safety, transparency, accountability, and quality of education. While some of these mandates impose only minimal costs to school districts, others have established major cost drivers that dramatically impact school district budgets annually.

While the spectrum of mandates and their impact on school district operations and finances is broad, one way that the General Assembly can provide some relief to school districts is by re-establishing the mandate waiver program. PASBO believes the mandate waiver program demonstrated its value when it was enacted into law about 20 years ago. During the ten-year period the program operated (2000 through 2010) the Pennsylvania Department of Education (PDE) received nearly 900 waiver applications, approving nearly 700 applications and modifying others. These approved mandate waiver applications saved school districts in the Commonwealth, and indirectly their taxpayers, a substantial amount of money through direct cost savings and more efficient operations.

While the previous mandate waiver program provided valuable relief to school districts on several fronts, the impact of the pandemic and the needed changes to the rigidity of the public education system to be able to effectively respond to post-COVID challenges perhaps requires a broader lens through which to view mandate relief.

Specifically, a revitalization of the mandate waiver program could help schools in waiving personnel mandates. In addition to the fact that salaries and benefits make up the most significant share of a district's budget, the staffing shortages challenges schools are facing requires creativity and significant flexibility to overcome.

For example, current PSERS retirees are prohibited from working part-time in a school district with very few exceptions. If a PSERS retiree returned to work for a public school and did not qualify for any existing exception, they would lose their current benefits immediately. However, a retiree may return to work in any private or parochial Pennsylvania school or in any public school outside of Pennsylvania without jeopardizing their PSERS benefits. A waiver program would provide an opportunity to rethink this mandate in certain circumstances, and school districts could receive the same opportunity to address current staffing shortages by hiring qualified retirees without jeopardizing benefits. Senator

Rosemary Brown will be introducing a bill to allow for PSERS annuitants to return to part-time service in school districts without having their benefits revoked. While we have not yet seen this proposed legislation, relief from this existing personnel mandate and restriction would effectively mitigate some of the staffing shortage challenges schools are facing and minimize some of the operational challenges schools face in this area.

Another area of opportunity for mandate relief is in pupil transportation. According to section 1361 of the Public School Code of 1949, a school district that provides transportation for its public school students is also responsible for providing these services for students in the district who attend nonpublic schools. To be eligible for transportation services from a district, these students must attend a nonpublic school located within 10 miles of the school district's boundary. Section 1726-A of the Public School Code also requires a school district to provide transportation for resident students attending a brick-and-mortar charter school located within 10 miles of the school district's boundary. Additionally, the Public School Code requires pupil transportation even to schools outside of Pennsylvania.

Since funding for charter and non-public student transportation is provided at a flat rate of \$385 per student (an amount that is not adjusted for inflation), the cost of providing this mandated transportation is significant—and far more than the reimbursement provided. School districts, especially those that are large geographically but sparsely populated, would experience substantial relief if they could reduce the current distance required to transport resident students who attend nonpublic or charter schools from 10 miles outside of the district's boundaries. Additionally, relieving school districts of the mandate to use Pennsylvania taxpayer dollars to transport students to schools in other states would also provide needed relief for those districts that share a border with another state.

Another area that would provide school districts with some needed flexibility, efficiency, and cost savings is with respect to property tax collection. While some school districts have been able to significantly reduce their tax collection costs, a waiver to allow schools to collect their own taxes would be an efficient mechanism to ensure uniform benefit across all districts. In school districts where tax collector compensation has been reduced and/or there have been no candidates for the position, bank lock boxes have been utilized to collect property taxes. The lock box process is reliable, enhances liquidity and interest earnings, improves reporting, reduces auditing expenses, and is convenient for taxpayers.

Another area of mandated costs for school districts is regarding advertising and legal notices. Sections 106 (Publication of Notices, etc.; proof of publication), 751 (work to be done under contract let on bids) and 807.1 (Purchase of supplies) of the School Code include advertising requirements.

The cost to advertise is not insignificant, and depending on the needs of the district—particularly if they are moving through a construction or renovation project—the advertising costs can add up. School districts are required to advertise their school board meetings and bids for three consecutive weeks in newspapers of record. However, technology has grown, and prohibiting its utilization where it can reduce costs is an undue burden to school districts and taxpayers. School districts can experience relief from the escalating cost of newspaper advertisement and allow for advertising legal notices on the Internet, which would give them much-needed latitude, flexibility, and cost savings. Additionally, as newspaper circulation has declined across the Commonwealth, the existing printed advertisement and

notice requirement do not ensure that the broadest sector of each community has access to the information—and in many communities where there are no longer newspapers of general circulation, notices must be published in nearby communities. Providing flexibility on these advertising mandates will save money and ensure broader access to the information.

Senate Bill 569, which revitalizes PDE's mandate waiver program, would help districts operate more effectively and efficiently by providing limited flexibility and relief from certain laws and regulations—including, potentially, some of those noted above. However, while school districts would benefit from a mandate waiver program, as they previously had during the first iteration of the program, overall cost savings would likely be minimal. On the whole, the state's funding of the largest cost drivers, including pension contributions, special education, and charter school tuition costs, has not kept pace over time, and the limited scope of the mandate waiver program, while useful, provides limited relief to districts in limited circumstances.

However, Senate Bill 569 can help open the door to exploring broader solutions to mitigate mandated cost growth. Meaningful relief from mandates consuming school district budgets is a first step toward addressing other critical issues, including educational and operational workforce shortages and decreasing enrollment. This bill, combined with other forms of mandate relief, could resolve operational and staffing concerns in each district.

For instance, House Bill 1507 relieves school districts from a burdensome instructional time requirement. This legislation changes the language on the current statutory minimal instructional time requirement of 180 days AND 900/990 hours for school districts, IUs, and CTCs to 180 days OR 900/990 hours. While these public school entities are currently required to follow this mandate, which defines their calendar and instructional programming each year, Pennsylvania's cyber charter and charter schools, private schools, and homeschool programs have the option to provide a minimum of 180 days OR 900/990 hours of instruction per year, granting them more flexibility. Though this bill may seem like a trivial adjustment for school districts, the change helps open the door to larger conversations about mandate relief.

PASBO appreciates the General Assembly's acknowledgment of the impacts of school district mandates on public education. A renewal of PDE's mandate waiver program, combined with other broader solutions to improve the efficiency and flexibility of school district operations, can help districts direct more funding to their classrooms while also maximizing taxpayer dollars.